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22 UNITED STATES DISTRICT COURT

23 NORTHERN DISTRICT OF CALIFORNIA

SI

24 ROSENBAUM CAPITAL LLC, Individually
 25 and On Behalf of All Others Similarly Situated,

26 Plaintiff,

27 vs.

28 LUMINENT MORTGAGE CAPITAL, INC.,
 GAIL P. SENECA, SEWELL TREZEVANT
 MOORE, JR. and CHRISTOPHER J. ZYDA,

Defendants.

07 4096

CLASS ACTION

COMPLAINT FOR VIOLATION OF THE
 FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

INTRODUCTION

1. This is a securities class action on behalf of all persons who purchased or otherwise acquired the publicly traded securities of Luminent Mortgage Capital, Inc. ("Luminent" or the "Company") between October 10, 2006 and August 6, 2007 (the "Class Period"), against Luminent and certain of its officers and/or directors for violations of the Securities Exchange Act of 1934 ("1934 Act").

2. Luminent is a real estate investment trust ("REIT"). The Company invests primarily in the United States agency and other single-family, adjustable-rate, hybrid adjustable-rate and fixed-rate mortgage-backed securities, which it acquires in the secondary market. Luminent is headquartered in San Francisco, California.

3. During the Class Period, defendants issued materially false and misleading statements regarding the Company's business and financial results. As a result of defendants' false statements, Luminent stock traded at artificially inflated prices during the Class Period.

4. As the real estate market and the mortgage industry began imploding, defendants continued to claim Luminent's business was solid and its investments were high quality.

5. As a result of the inflation, defendants were able to complete a publicly traded securities offering in October 2006 at \$10.25 per share and a \$90 million private placement of 8.125% Convertible Senior Notes due 2027 on May 30, 2007.

6. On August 6, 2007, after the market closed, the Company issued a press release entitled "Luminent Mortgage Capital, Inc. Announcements." The press release stated in part:

Luminent Mortgage Capital, Inc. announced today that, since August 3, 2007, the mortgage industry, and the financing methods that the mortgage industry relies upon, have deteriorated significantly and in an unprecedented fashion. Effectively, the secondary market for mortgage loans and mortgage-backed securities has seized-up. As a result, Luminent is simultaneously experiencing a significant increase in margin calls on its highest quality assets and a decrease on the financing advance rates provided by its lenders.

In a Board of Directors meeting today, Luminent's Board unanimously voted to take the following actions:

- The Board of Directors suspended payment of Luminent's second quarter cash dividend of 32 cents per share on Luminent's common stock.

- 1 • The Board of Directors extended the maturity of the outstanding commercial paper issued by Luminent Star Funding Trust I, a special purpose subsidiary of Luminent, by 110 days.
- 2
- 3 • The Board of Directors cancelled Luminent's second quarter 2007 earnings release conference call, scheduled for Thursday, August 9, 2007, at 10:00 a.m. PDT, to discuss its second quarter of 2007 results of operations.
- 4
- 5 • The Board of Directors delayed the filing of Luminent's quarterly report on form 10-Q for the second quarter of 2007. Luminent's second quarter of 2007 unaudited condensed financial information is attached to this press release. Luminent's independent registered public accounting firm has not completed a review of the financial information for the three and six months ended June 30, 2007.
- 6
- 7
- 8 • The Board of Directors authorized Luminent's senior management to inform the New York Stock Exchange of these unfolding events and, as a result, trading was halted in Luminent's common stock.
- 9
- 10

11 The Board of Directors currently is considering the full range of strategic alternatives to enhance Luminent's liquidity and preserve shareholder value during this period of market volatility.

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13 7. On August 7, 2007, Luminent's stock collapsed \$3.30 per share to close at \$1.08 per share, a one-day decline of 75% on volume of 32.2 million shares, 25 times the average three-month volume.

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16 8. The true facts, which were known by the defendants but concealed from the investing public during the Class Period, were as follows:

17

18 (a) The Company lacked requisite internal controls, and, as a result, the Company's projections and reported results issued during the Class Period were based upon defective assumptions and/or manipulated facts;

19

20

21 (b) The Company's investments in mortgage loans were not all "high quality" as claimed by defendants, nor was its hedging disciplined and sophisticated as to credit risk; and

22

23 (c) The Company was not on track to report the earnings forecast or to pay the dividends promised.

24

25 9. As a result of defendants' false statements, Luminent's stock price traded at inflated levels during the Class Period. However, after the above revelations seeped into the market, the Company's shares were hammered by massive sales, sending them down more than 89% from their Class Period high.

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JURISDICTION AND VENUE

10. Jurisdiction is conferred by §27 of the 1934 Act. The claims asserted herein arise under §§10(b) and 20(a) of the 1934 Act and SEC Rule 10b-5.

11. (a) Venue is proper in this District pursuant to §27 of the 1934 Act. Many of the false and misleading statements were made in or issued from this District.

(b) Luminent's principal executive offices are located at 101 California Street, Suite 1350, San Francisco, California.

PARTIES

12. Plaintiff Rosenbaum Capital LLC purchased Luminent publicly traded securities as described in the attached certification and was damaged thereby.

13. Defendant Luminent is a REIT. The Company invests primarily in the United States agency and other single-family, adjustable-rate, hybrid adjustable-rate and fixed-rate mortgage-backed securities, which it acquires in the secondary market. During the year ended December 31, 2005, Luminent expanded its mortgage investments to include mortgage loan acquisition and securitization, as well as investments in mortgage-backed securities that have credit ratings of below AAA. The Company's investment in mortgage-backed securities principally consists of pass-through certificates, which are securities representing interests in pools of mortgage loans secured by residential real property. The Company asserts that it invests in high-quality residential mortgage loans, AAA-rated and agency-backed mortgage-backed securities and subordinated mortgage-backed securities.

14. Defendant Gail P. Seneca ("Seneca") founded Luminent in 2003. Defendant Seneca is, and at all relevant times was, Chairman of the Board and a director of Luminent and was Chief Executive Officer ("CEO") of the Company from its inception through May 2007. During the Class Period, Seneca was responsible for the Company's public statements and reaped \$1.5 million worth of restricted stock awards, in addition to \$1 million in salary and bonuses.

15. Defendant Sewell Trezevant Moore, Jr. ("Moore") is, and at all relevant times was, President of Luminent. Defendant Moore was appointed CEO in May 2007. Additionally, Moore was Chief Operating Officer ("COO") of Luminent from 2005 until May 2007. During the Class

1 Period, Moore was responsible for the Company's false statements and reaped \$138,305 worth of
2 restricted stock awards, in addition to \$700,000 in salary and bonuses.

3 16. Defendant Christopher J. Zyda ("Zyda") is, and at all relevant times was, Senior Vice
4 President and Chief Financial Officer ("CFO") of Luminent. During the Class Period, Zyda was
5 responsible for the Company's financial statements.

6 17. Defendants Seneca, Moore and Zyda (the "Individual Defendants"), because of their
7 positions with the Company, possessed the power and authority to control the contents of
8 Luminent's quarterly reports, press releases and presentations to securities analysts, money and
9 portfolio managers and institutional investors, *i.e.*, the market. They were provided with copies of
10 the Company's reports and press releases alleged herein to be misleading prior to or shortly after
11 their issuance and had the ability and opportunity to prevent their issuance or cause them to be
12 corrected. Because of their positions with the Company, and their access to material non-public
13 information available to them but not to the public, the Individual Defendants knew that the adverse
14 facts specified herein had not been disclosed to and were being concealed from the public and that
15 the positive representations being made were then materially false and misleading. The Individual
16 Defendants are liable for the false statements pleaded herein at ¶¶20-33.

17 **FRAUDULENT SCHEME AND COURSE OF BUSINESS**

18 18. Defendants are liable for: (i) making false statements; or (ii) failing to disclose
19 adverse facts known to them about Luminent. Defendants' fraudulent scheme and course of
20 business that operated as a fraud or deceit on purchasers of Luminent publicly traded securities was a
21 success, as it: (i) deceived the investing public regarding Luminent's prospects and business; (ii)
22 artificially inflated the price of Luminent's publicly traded securities; (iii) allowed Luminent to
23 complete a \$60 million stock offering in October and complete a \$90 million private placement of
24 8.125% Senior Convertible Notes just two months before the bottom fell out of Luminent stock; (iv)
25 allowed the Individual Defendants to reap millions of dollars worth of restricted stock awards; and
26 (v) caused plaintiff and other members of the Class to purchase Luminent publicly traded securities
27 at inflated prices.

BACKGROUND

19. Luminent is a REIT. The Company invests primarily in the United States agency and other single-family, adjustable-rate, hybrid adjustable-rate and fixed-rate mortgage-backed securities, which it acquires in the secondary market. During the year ended December 31, 2005, Luminent expanded its mortgage investments to include mortgage loan acquisition and securitization, as well as investments in mortgage-backed securities that have credit ratings of below AAA. The Company's investment in mortgage-backed securities principally consists of pass-through certificates, which are securities representing interests in pools of mortgage loans secured by residential real property. Luminent asserts that it invests in high-quality residential mortgage loans, AAA-rated and agency-backed mortgage-backed securities and subordinated mortgage-backed securities. Luminent holds investments in several types of mortgage-backed securities, including adjustable-rate, hybrid-adjustable rate and fixed-rate mortgage-backed securities, as well as collateralized mortgage obligations. The Company also invests in residential mortgage loans. The loans acquired by Luminent are first lien, single-family residential traditional adjustable-rate and hybrid adjustable-rate loans with original terms to maturity of not more than 40 years. Luminent invests in credit-sensitive residential mortgage securities. These mortgage-backed securities have credit ratings below AAA, and are sometimes referred to as subordinated residential mortgage-backed securities.

**DEFENDANTS' FALSE AND MISLEADING
STATEMENTS ISSUED DURING THE CLASS PERIOD**

20. On October 10, 2006, Luminent issued a press release entitled "Luminent Mortgage Capital Announces Public Offering of Common Stock." The press release stated in part:

Luminent Mortgage Capital, Inc. announced today that it is offering five million shares of common stock in an underwritten public offering. The underwriters will be granted a 30-day option to purchase up to an additional 750 thousand shares of common stock.

A registration statement relating to these securities has been filed with, and declared effective by, the Securities and Exchange Commission.

UBS Investment Bank is the sole book-running manager of the offering, with JMP Securities acting as the co-lead manager.

1 21. The Company filed a prospectus with respect to the offering which emphasized the
2 quality of its investments:

3 Our primary objective is to provide a secure stream of income for our
4 stockholders based on the steady and reliable payment of residential mortgages made
to borrowers of prime credit quality.

5 * * *

6 We review the credit risk associated with each potential investment and may
7 diversify our portfolio to avoid undue geographic, product, originator, servicer and
8 other types of concentrations. By maintaining a large percentage of our assets in a
highly diversified pool of high quality, highly-rated assets, we believe we can
9 mitigate our exposure to losses from credit risk. We have significant credit
enhancement that protects our investment in the assets we own that are not rated
10 AAA or better. We employ rigorous due diligence and underwriting criteria to
11 qualify whole loan assets for our portfolio in order to mitigate risk. This due
diligence includes performing compliance sampling in states with predatory lending
statutes, valuation analysis and layered credit risk analysis using a suite of software
screening tools.

12 22. On October 12, 2006, the Company issued a press release entitled "Luminent
13 Mortgage Capital Upsizes and Prices Common Stock Offering at \$10.25 Per Share." The press
14 release stated in part:

15 Luminent Mortgage Capital, Inc. announced today that it upsized and priced a public
16 offering of six million shares at \$10.25 per share. Luminent expects gross proceeds
of \$61.5 million from the sale, which the company intends to use to purchase
17 mortgage assets as part of its Residential Mortgage Credit and Spread strategies. The
underwriters have been granted a 30-day option to purchase up to an additional 900
thousand shares of common stock.

18 A registration statement relating to these securities has been filed with, and
19 declared effective by, the Securities and Exchange Commission.

20 UBS Investment Bank was the sole book-running manager of the offering,
21 with JMP Securities acting as the co-lead manager.

22 23. On November 9, 2006, the Company issued a press release entitled "Luminent
23 Mortgage Capital, Inc. Third Quarter Earnings: Ongoing Strength – Adjusted REIT taxable net
24 income of \$0.30 per share, up 67% year-over-year – Core earnings of \$0.29 per share, up 142%
25 year-over-year – Third quarter dividend of \$0.30 per share; annualized yield of 11.2% – Special
dividend of \$0.075 per share declared October 10, 2006." The press release stated in part:

26 Luminent Mortgage Capital, Inc. today reported a net loss for the quarter ended
27 September 30, 2006 of \$6.6 million, or \$0.17 per share, and core earnings of \$11.2
28 million, or \$0.29 per share. Core earnings adjust for gains and losses on derivative
instruments and one-time charges. REIT taxable net income for the quarter ended

1 September 30, 2006 was \$8.7 million, or \$0.21 per share, and adjusted REIT taxable
 2 net income, was \$12.0 million or \$0.30 per share. The one-time charges to both
 3 GAAP income and REIT taxable income in the quarter reflect the completion of
 4 Luminent's transition to full internal management. REIT taxable net income is the
 basis upon which Luminent determines its dividends. The difference between GAAP
 net income and core earnings and REIT taxable net income is detailed in the
 additional financial information provided on pages seven and eight of this release.

5 Consistent with Luminent's goal to produce attractive income streams,
 6 Luminent declared a third quarter dividend of \$0.30 per share, which was paid on
 7 November 6, 2006 to stockholders of record on October 9, 2006. Based on
 8 Luminent's November 8, 2006 closing stock price of \$10.69, the \$0.30 third quarter
 9 dividend equates to an annualized dividend yield of 11.2%. This historical yield
 10 should not be construed as a predictor of Luminent's future dividend yield. Luminent
 11 declared a special dividend of \$0.075 per share, which will be paid on November 10,
 2006 to stockholders of record on October 20, 2006. The quarterly dividend of \$0.30
 per share and the special dividend of \$0.075 per share were fully supported by REIT
 taxable net income and do not represent a return of capital. After payment of these
 dividends, Luminent's undistributed taxable income balance was approximately \$5.9
 million at September 30, 2006, before any earnings for the fourth quarter of 2006 are
 considered.

12 "We are pleased to report another excellent quarter," said Gail P. Seneca,
 13 Chairman of the Board and Chief Executive Officer. "Consistent with our strategy,
 14 we again added high quality assets to our balance sheet and financed them
 15 efficiently, securing a stream of long-term, recurring cash flow to support our
 growing dividend. We believe that our attractive \$0.30 dividend is sustainable. We
 continue to identify profitable investment opportunities, which should drive our
 earnings in the year ahead."

16 Trez Moore, President and Chief Operating Officer, commented, "Amid
 17 challenging mortgage market conditions this year, Luminent has consistently
 18 produced strong and growing core earnings, and solid returns on equity. *Luminent's
 risk management disciplines have largely insulated us from interest rate
 turbulence, liquidity shocks and severe credit losses. Our investment disciplines
 should continue to serve our stockholders well.*"

19 Other highlights include:

- 20 – Robust net interest spread: 119 basis points on a REIT taxable basis, net of
- 21 servicing expense
- 22 – Strong return on equity: 12.1% on an adjusted REIT taxable basis
- 23 – Asset growth: \$6.4 billion, up 15% from second quarter and 31% year-over-
- 24 year
- 25 – ***Momentum in high credit quality residential mortgage credit strategy***
- 26 * \$772.7 million prime quality, first lien loans acquired and securitized in the
- 27 third quarter
- 28 * \$4.4 billion prime quality, first lien loans acquired and securitized to date
- Solid credit performance

- 1 * Zero credit losses
- 2 * Delinquencies below industry averages
- 3 – Minimal interest rate exposure
- 4 * “Matched-book” funding strategy
- 5 * Over 90% of assets float monthly, net of hedges
- 6 – Moderate leverage: 5.4x on a recourse basis
- 7 – CDO initiative to drive further asset and profitability growth
- 8 – Strong common stock performance: 52% total return year-to-date

9 The composition of Luminent’s mortgage asset portfolio is diverse and high
 10 quality. At September 30, 2006, 67% of Luminent’s mortgage assets were prime
 11 quality, first lien loans with an average FICO score of 711, a moderate-sized average
 12 loan balance of \$392 thousand, and strong down payment protection, with an average
 13 loan to value ratio of 76%. The vast majority of these mortgage loans are on single-
 14 family, owner-occupied homes. 24% of Luminent’s mortgage assets at September
 15 30, 2006 were adjustable-rate AAA-rated or agency-guaranteed mortgage-backed
 16 securities, virtually all of which have coupons that are currently resetting. 9% of
 17 Luminent’s mortgage assets at September 30, 2006 were adjustable-rate mortgage-
 18 backed securities rated below AAA, with an average overall rating of A-.

19 At September 30, 2006, the weighted-average coupon rate of Luminent’s
 20 mortgage assets was 6.90%. For the third quarter of 2006, the weighted-average yield
 21 on average earning assets was 6.84% on a GAAP basis. Luminent’s weighted-
 22 average cost of liabilities for the third quarter of 2006 was 5.40% on a GAAP basis.
 23 Total financing liabilities were \$6.0 billion at September 30, 2006.

24 Luminent’s net interest spread for the third quarter of 2006 was 1.44% on a
 25 GAAP basis, and 1.19% on a REIT taxable income basis, net of servicing expense.
 26 Luminent’s net interest spread benefited from careful asset acquisition, monthly
 27 resets on mortgage assets and effective liability hedging strategies.

28 Luminent is committed to high credit quality. Approximately 92% of
 Luminent’s assets carry AAA, AA or A ratings, or have been securitized into bonds
 with AAA, AA or A ratings. Non-investment grade securities, including retained
 tranches of Luminent securitizations, totaled less than 4% of Luminent’s total assets
 at September 30, 2006. First loss exposure, calculated on the same basis, was less
 than 60 basis points of total assets at September 30, 2006.

Credit performance is solid. Luminent’s seriously delinquent (90+ days) loan
 rate of approximately 43 basis points of total loans held for investment as of
 September 30, 2006 is well below the industry average for prime quality loans. As of
 September 30, 2006, Luminent had realized no credit losses on its portfolio of loans
 held for investment. Loss reserve levels were increased during the quarter to reflect
 loan seasoning.

Luminent originated and securitized a \$772.7 million, prime quality loan
 package during the third quarter. Capital market reception was excellent, with an

1 overall weighted-average funding cost of LIBOR plus 22 basis points. This
2 securitization financed whole loan assets with non-recourse, match-funded debt.

3 The weighted-average amortized cost price of Luminent's total mortgage
4 assets at September 30, 2006 was 101.2% of par.

5 The constant payment rate on total mortgage assets was 16% for the quarter
6 ended September 30, 2006. The majority of Luminent's loans carry prepayment
7 penalties.

8 Luminent maintains a strong capital position and modest leverage. Cash and
9 unencumbered assets were approximately \$280 million at September 30, 2006.
10 Luminent's recourse leverage ratio, defined as total recourse financing liabilities as a
11 ratio of total stockholders' equity and 30-year debt, was 5.4x at September 30, 2006.

12 Luminent's funding strategy exhibits diversification, low borrowing costs and
13 increasing use of non-recourse, match-funded loans. Repurchase agreement financing
14 declined to just 42% of total liabilities at September 30, 2006. On August 2, 2006,
15 Luminent established a \$1 billion single-seller commercial paper facility, Luminent
16 Star Funding I, to fund its mortgage-backed securities portfolio. This facility will
17 further reduce Luminent's reliance on repurchase agreement financing.

18 24. On November 9, 2006, the Company filed its Form 10-Q for the third quarter of 2006,
19 which included the same financial results previously reported. The Form 10-Q also included a
20 certification by Seneca, which stated:

21 I, Gail P. Seneca, certify that:

- 22 1. I have reviewed this Form 10-Q of Luminent Mortgage Capital, Inc. (the
23 Registrant);
- 24 2. Based on my knowledge, this report does not contain any untrue statement of a
25 material fact or omit to state a material fact necessary to make the statements
26 made, in light of the circumstances under which such statements were made, not
27 misleading with respect to the period covered by this report;
- 28 3. Based on my knowledge, the financial statements, and other financial
information included in this report, fairly present in all material respects the
financial condition, results of operations and cash flows of the Registrant as of,
and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and
maintaining disclosure controls and procedures (as defined in Exchange Act
Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as
defined in Exchange Act Rules 13(a)-15(f) and 15(d)-15(f)) for the Registrant
and have:
 - a) Designed such disclosure controls and procedures, or caused such
disclosure controls and procedures to be designed under our supervision, to
ensure that material information relating to the Registrant, including its
consolidated subsidiaries, is made known to us by others within those
entities, particularly during the period in which this report is being prepared;

- b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing the equivalent function):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.
25. Defendant Zyda signed a nearly identical certification included in the Form 10-Q.
26. On January 25, 2007, the Company issued a press release entitled "Luminent

Mortgage Capital Announces Its Ninth Loan Securitization." The press release stated in part:

Luminent Mortgage Capital, Inc. today announced the successful execution of LUM 2007-1, a securitization of \$706.8 million of prime quality mortgage loans.

"This transaction advances Luminent's goal to create and secure high quality, recurring cash flows," said Gail P. Seneca, Luminent's Chief Executive Officer and Chairman of the Board. "LUM 2007-1 contributes to the sustainability of our dividend over the long-term."

"We are extremely pleased with the execution of our scheduled quarterly securitization," said Trez Moore, Luminent's President and Chief Operating Officer. "Our record tight print of LIBOR + 16.5 basis points on our AAA securities will provide the basis for strong dividends well into the future."

The collateral in LUM 2007-1 consists of prime quality adjustable rate mortgages, with an average FICO of 719 and an average loan-to-value of 72.9%. These characteristics are consistent with the high quality focus of Luminent's credit profile.

1 “LUM 2007-1 has credit enhancement from multiple sources including
2 subordination, excess interest, overcollateralization, allocation of losses and a
3 primary mortgage insurance policy for all loans with loan-to-value in excess of 80%.
4 In addition, Luminent has arranged for lender paid primary mortgage insurance
5 (“LPMI”) which covers substantially all the mortgage loans with loan-to-value ratios
6 ranging from 75% through 80%,” said Megan Mahoney, Luminent’s Senior Vice
7 President of Client Relations. “In addition, the Class I certificates will also have the
8 benefit of a swap and a cap agreement. The LPMI was provided by Triad Guaranty
9 Insurance Corporation and the derivatives by The Royal Bank of Scotland PLC
10 through its agent, Greenwich Capital Markets, Inc.”

11 “We are pleased to have played an important part in this most recent
12 securitization of mortgage loans and value our growing relationship with Luminent,”
13 stated Mark K. Tonnesen, President and Chief Executive Officer, Triad Guaranty
14 Insurance Corporation.

15 27. On February 9, 2007, the Company announced its fourth quarter and full year 2006
16 earnings, in a release stating in part:

17 Luminent Mortgage Capital Fourth Quarter and Full Year 2006 Earnings: Solid
18 Growth in Earnings and Prime Quality Portfolio

- 19 – Fourth quarter adjusted REIT taxable net income of \$0.34 per share, up 13%
20 quarter-over-quarter
- 21 – Full-year REIT taxable net income of \$41.0 million, up 31% versus 2005
- 22 – Full-year 2006 dividends declared of \$0.925, up more than 20% versus 2005
- 23 – Dividend yield of 12.6% based on February 8, 2007 closing stock price of
24 \$9.52
- 25 – Fourth quarter book value per share of \$9.86, up quarter-over-quarter and
26 year-over-year
- 27 – Strong credit profile and performance
- 28 – 92% of assets A rated or higher
- Prime quality loans and AAA securities are 90% of assets

 . . . Luminent Mortgage Capital, Inc. today reported net income for the
quarter ended December 31, 2006 of \$18.0 million, or \$0.39 per share, and core
earnings of \$14.4 million, or \$0.31 per share. REIT taxable net income for the
quarter ended December 31, 2006 was \$12.6 million, or \$0.26 per share, and adjusted
REIT taxable net income, was \$16.5 million, or \$0.34 per share. Fourth quarter core
earnings adjust for the mark-to-market on hedging instruments and fourth quarter
adjusted REIT taxable net income adjusts for final payments related to the
internalization of management. The difference between GAAP net income and core
earnings, and REIT taxable net income and adjusted REIT taxable net income is
detailed in the additional financial information provided on pages seven and eight of
this release.

1 For the year ended December 31, 2006, Luminent reported net income of
 2 \$46.8 million, or \$1.14 per share, and core earnings of \$45.2 million, or \$1.10 per
 3 share. REIT taxable net income for the year ended December 31, 2006 was \$41.0
 4 million, or \$0.97 per share. Adjusted REIT taxable net income for the year ended
 5 December 31, 2006 was \$48.1 million, or \$1.14 per share. The strong year-over-year
 income growth reflects the successful broadening of Luminent's business platform
 from a passive agency mortgage-backed securities REIT to an active mortgage asset
 manager.

6 "We are very pleased with our fourth quarter and full-year results," said Gail
 7 P. Seneca, Chief Executive Officer and Chairman of the Board of Directors. "We
 8 distinguished ourselves among mortgage REITs by growing our dividend, our book
 value, and our profitability in 2006. During the year, we built the foundation to
 deliver an ongoing stream of strong and consistent dividends. Our high credit quality,
 non-interest rate sensitive model is working."

9 "Luminent is uniquely positioned to prosper in a challenging mortgage
 10 environment," commented Trez Moore, President and Chief Operating Officer.
 11 "Luminent's business is investment management. Our model is neither volume
 12 driven nor sub prime focused. We manage mortgage assets and employ risk
 disciplines that ensure high credit quality and minimize interest rate sensitivity. With
 Luminent's sophisticated infrastructure and seasoned professionals, we are confident
 that we can sustain solid credit performance and produce attractive dividends. We
 look forward to another year of delivering strong returns to our investors."

13 Additional financial highlights include:

- 14 • Robust net interest spread: 158 basis points for the fourth quarter and 144
 15 basis points for the full year
- 16 • Strong return on equity: 15.7% for the fourth quarter and 11.4% for the full
 17 year
- 18 • Asset growth: total assets of \$8.6 billion, up 35% from the third quarter and
 75% from December 2005
 - 19 ◦ 800 million in prime quality loans securitizations in the fourth quarter
 - 20 ◦ \$4.6 billion prime quality securitizations in 2006
- 21 • Record net interest income: \$29.6 million in fourth quarter 2006, up 35%
 22 over third quarter 2006
- 23 • Solid credit performance
 - 24 ◦ Delinquencies less than half the industry average
- 25 • Solid credit quality
 - 26 ◦ 92% of assets are rated A or higher
 - 27 ◦ Prime quality whole loan portfolio
- 28 • Minimal interest rate exposure

- 1 ◦ “Matched-book” funding strategy
- 2 ◦ 89% of mortgage assets float monthly, including the impact of hedges
- 3 ◦ Virtually zero duration gap
- 4 • Moderate leverage: 7.4x on a recourse basis

5 Luminent’s credit quality is strong. 92% of Luminent’s assets are rated A or
6 higher or have been securitized into mortgage-backed securities rated A or higher.
7 65% of Luminent’s assets are first lien, prime quality mortgages. Overall, the
8 average FICO score is 713 and down payments are strong, with an average loan-to-
9 value ratio, net of mortgage insurance, of 72.6%. 25% of Luminent’s assets consist
10 of AAA or agency-backed mortgage-backed securities. 9% of Luminent’s assets
11 consist of other mortgage-backed securities with an average credit rating of BBB+.

12 Luminent’s credit performance is sound. Serious delinquencies (90 days +)
13 stand at 54 basis points, less than half the industry average.

14 Book value at December 31, 2006 grew to \$9.86 per share, net of the \$0.375
15 of dividends declared during the quarter. The improvement in book value during a
16 volatile year demonstrates the high credit quality of the portfolio and the
17 effectiveness of sophisticated hedging techniques.

18 The net interest spread for the quarter ended December 31, 2006 was 1.58%.
19 At December 31, 2006, the weighted-average coupon rate of Luminent’s total
20 mortgage assets was 7.03%. The weighted-average yield on average earning assets
21 during the quarter ended December 31, 2006 was 7.12%. The weighted-average cost
22 of average financing liabilities for the quarter was 5.54%.

23 The weighted-average amortized cost price of Luminent’s total mortgage
24 assets was 101.1% of par as of December 31, 2006. The constant payment rate on
25 total mortgage assets was 17% for the quarter ended December 31, 2006. The
26 majority of Luminent’s loans carry explicit prepayment penalties.

27 Luminent maintains a strong capital position and modest leverage. Cash and
28 unencumbered assets were in excess of \$200 million at December 31, 2006.
29 Luminent’s recourse leverage ratio, defined as recourse financing liabilities as a ratio
30 of stockholders’ equity plus long-term debt, was 7.4x at December 31, 2006. During
31 the fourth quarter, Luminent improved its capital efficiency by launching a single-
32 seller commercial paper program, Luminent Star Funding I. Luminent intends to
33 issue CDOs in 2007 which will further improve its capital efficiency.

34 Luminent’s funding strategy exhibits diversification, low borrowing costs,
35 and extensive reliance on non-recourse, matched-funded financing. Repurchase
36 agreement financing declined to just 33% of total liabilities at December 31, 2006,
37 down from 87% at December 31, 2005.

38 During the fourth quarter, Luminent executed its eighth loan securitization,
39 LUM 2006-7, consisting of \$800 million prime quality mortgages. The average
40 FICO score of mortgage borrowers in this transaction was 719. The average loan-to-
41 value ratio of the loans was 64.8%, net of mortgage insurance. All loans with 75% or
42 greater loan-to-value ratio carried private mortgage insurance. Capital market
43 reception was excellent, with average funding costs of LIBOR plus 19 basis points

1 on the AAA-rated tranches of the securitization. The debt created in the
2 securitization is non-recourse, match-funded and not marked-to-market.

3 At year-end, Luminent had \$773 million of unsecuritized loans on its balance
4 sheet. In January 2007, Luminent executed its ninth loan securitization, LUM 2007-
5 1, consisting of \$707 million prime quality mortgages. The average FICO score of
6 mortgage borrowers in this transaction was 719. The average loan-to-value ratio of
the loans was 72.1%, net of mortgage insurance. All loans with 75% or greater loan-
to-value ratios carried private mortgage insurance. Average funding costs were
LIBOR plus 16.5 basis points on the AAA-rated tranches of the deal, Luminent's
best pricing to date.

7 Luminent issued 6.9 million shares of its common stock during the quarter
8 ended December 31, 2006, and raised gross proceeds of \$70.7 million.

9 Luminent paid a special dividend during the quarter ended December 31,
10 2006 of \$0.075 cents per share and declared a fourth quarter of 2006 dividend of
11 \$0.30 per actual share. Luminent estimates that its undistributed REIT taxable net
income balance as of December 31, 2006 was approximately \$4.4 million, or \$0.09
per actual share outstanding.

12 28. On March 16, 2007, the Company filed its Form 10-K for fiscal 2006, which included
13 results for the fourth quarter 2006, and included the same financial results previously reported. The
14 Form 10-K contained virtually identical certifications by Seneca and Zyda as contained in
15 Luminent's Form 10-Q for the third quarter of 2006, as cited above in ¶24.

16 29. On May 8, 2007, the Company issued a press release entitled "Luminent Mortgage
17 Capital Repurchases Over Two Million Shares and Announces an Additional Five Million Share
18 Repurchase Program." The press release stated in part:

19 Luminent Mortgage Capital, Inc. announced today that subsequent to March 31,
20 2007 and through May 7, 2007, it has completed the repurchase of 2,194,900 shares
21 of its common stock at an average price of \$8.17. The stock repurchases were made
through Luminent's 10b(5) stock repurchase program. As of March 31, 2007,
Luminent had 2,405,715 shares remaining on the stock repurchase authorization
approved by its Board of Directors in February 2006.

22 "We are very pleased to complete these share repurchases and to create
23 significant value for our shareholders," said Gail P. Seneca, Luminent's Chairman
and Chief Executive Officer.

24 Luminent also announced today that its Board of Directors has authorized an
25 additional 5,000,000 share common stock repurchase program. Luminent will, at its
26 discretion, purchase shares at prevailing prices through open market transactions
27 subject to the provisions of SEC Rule 10b (18), in privately negotiated transactions
28 and through its 10b(5) stock repurchase program. With the new stock repurchase
authorization from its Board, Luminent now has the ability to repurchase 5,210,815
shares of common stock.

1 “We are committed to creating value for our shareholders through additional
2 common stock repurchases while our stock price is significantly below our book
3 value per share,” commented Ms. Seneca.

4 30. On May 29, 2007, the Company issued a press release entitled “Luminent Mortgage
5 Capital Announces Offering of \$85 Million of Senior Unsecured Convertible Notes and Expected
6 Repurchase of Approximately \$25 Million of Common Stock.” The press release stated in part:

7 Luminent Mortgage Capital, Inc. announced today it has commenced an offering,
8 subject to market and other conditions, of \$85 million aggregate principal amount of
9 senior unsecured convertible notes due 2027 to qualified institutional buyers in
10 accordance with Rule 144A under the Securities Act of 1933, as amended. Luminent
11 also expects to grant the initial purchaser an option to purchase up to an additional
12 \$15 million aggregate principal amount of notes. The notes will be convertible into
13 cash up to their principal amount and, with respect to the remainder, if any, of the
14 conversion value in excess of such principal amount, at the option of Luminent in
15 cash or Luminent’s shares of common stock.

16 Luminent expects to use the net proceeds from the offering to repurchase
17 concurrently with the offering up to approximately \$25 million of its shares of
18 common stock and to apply the balance for general corporate purposes, principally
19 investing in its targeted asset classes.

20 31. On May 31, 2007, the Company issued a press release entitled “Luminent Mortgage
21 Capital Announces Pricing of \$90 Million of Convertible Senior Notes and Repurchase of \$18
22 Million of Shares of Common Stock.” The press release stated in part:

23 Luminent Mortgage Capital, Inc. announced today that it has priced, on May 30,
24 2007, its offering of \$90 million aggregate principal amount of 8.125% convertible
25 senior notes due 2027 and that it will use approximately \$18 million of the net
26 proceeds from the offering of the notes to repurchase shares of its common stock.
27 Luminent also granted the initial purchaser an option to purchase up to an additional
28 \$20 million of aggregate principal amount of notes. Closing is expected to occur on
29 June 5, 2007.

30 Luminent expects to use up to \$18 million of the net proceeds from the
31 offering to concurrently repurchase shares of its common stock at a price of \$9.13
32 per share (the closing price on May 30, 2007) and to apply the balance for general
33 corporate purposes, principally investment in its targeted asset classes.

34 Prior to June 1, 2026, upon the occurrence of specified events, the notes will
35 be convertible at the option of the holder at an initial conversion rate of 89.4114
36 shares per \$1,000 principal amount of notes. The initial conversion price of \$11.18
37 represents a 22.5% premium to the closing price of \$9.13 per share of Luminent
38 common stock on May 30, 2007. On or after June 1, 2026, the notes will be
39 convertible at any time prior to the second business day prior to maturity at the
40 option of the holder. Upon conversion of notes by a holder, the holder will receive
41 cash up to the principal amount of such notes and, with respect to the remainder, if
42 any, of the conversion value in excess of such principal amount, at the option of
43 Luminent in cash or in shares of Luminent’s common stock. The initial conversion
44 rate is subject to adjustment in certain circumstances.

1 Prior to June 5, 2012, the notes will not be redeemable at Luminent's option,
2 except to preserve Luminent's status as a REIT. On or after June 5, 2012, Luminent
3 may redeem all or a portion of the notes at a redemption price equal to the principal
4 amount plus accrued and unpaid interest (including additional interest), if any.

5 Note holders may require Luminent to repurchase all or a portion of the notes
6 at a purchase price equal to the principal amount plus accrued and unpaid interest
7 (including additional interest), if any, on the notes on June 1, 2012, June 1, 2017, and
8 June 1, 2022, or upon the occurrence of certain change in control transactions prior to
9 June 5, 2012.

10 32. On June 27, 2007, the Company issued a press release entitled "Luminent Mortgage
11 Capital Announces a Dividend Increase to \$0.32 Per Share for the Second Quarter of 2007." The
12 press release stated in part:

13 The Board of Directors of Luminent Mortgage Capital, Inc. today declared a cash
14 dividend for the second quarter of 2007 of \$0.32 per share, payable on August 8,
15 2007 to stockholders of record on July 11, 2007. The second quarter 2007 dividend
16 of \$0.32 per share represents a 7% increase quarter-over-quarter and a 60% increase
17 year-over-year. Luminent's annualized dividend yield, based on its second quarter
18 2007 cash dividend and the June 27, 2007 closing stock price of \$9.90, is 12.9%.

19 "Our disciplined high quality investment strategy has allowed us to increase
20 our dividend to our shareholders by nearly 7% during a period of unprecedented
21 turmoil in the mortgage industry," said S. Trezevant Moore Jr., Luminent's Chief
22 Executive Officer. "The rise in intermediate and longer-term rates has not affected us
23 as our investments are based on short-term interest rates. Our recently completed
24 convertible bond offering has provided us with more than ample liquidity to invest in
25 today's market conditions. We are optimistic that further profitable investments may
26 be available to us in the near term as capital markets continue to rebalance. In fact,
27 we expect that our new, higher, dividend will be easily sustainable in the near
28 future."

33. On July 30, 2007, the Company issued a press release entitled "Luminent Mortgage
Capital, Inc. Confirms Second Quarter Dividend Payment of \$0.32 per Share Secure, Full
Compliance With All Financial Covenants, and Ample Liquidity." The press release stated in part:

Luminent Mortgage Capital, Inc. announced today that its second quarter dividend
payment of \$0.32 per share, payable to stockholders on August 8, 2007, is secure and
will not be canceled.

In addition, Luminent confirmed that as of July 30, 2007 it is in full
compliance with all its financial covenants. Furthermore, Luminent confirmed that as
of July 30, 2007 it had ample liquidity to manage its business.

Luminent reiterated that it is an investor in, and not an originator of,
mortgage loans. As such, Luminent is not subject to the loan repurchase risk that is
currently impacting certain loan originators. Instead, Luminent purchases high
quality mortgage loans from originators, and only after Luminent conducts
exhaustive due diligence on each and every loan. As of June 30, 2007, Luminent's
15,327 of whole loans had a weighted-average FICO score of 715, a weighted-

1 average loan-to-value ratio net of mortgage insurance of 71%, and 86.4% of these
2 loans were on owner-occupied properties.

3 In addition, Luminent reiterated that it employs a disciplined and
4 sophisticated hedging program for the interest rate and credit risks in its portfolio
5 using Eurodollar futures, interest rate swaps, swaptions, interest rate caps, and by
6 shorting various portions of the ABX indices as well as employing single-name
7 credit default swaps. During the quarter ended June 30, 2007, the strong performance
8 of Luminent's credit hedges more than offset the income statement and balance sheet
9 impact of mark-to-market pricing and certain impairment charges related to its credit
10 sensitive assets. This strong performance of Luminent's disciplined hedging program
11 was one of the contributors to the increase in Luminent's book value per share to
12 \$10.05 as of June 30, 2007.

13 34. Then, on August 6, 2007, after the market closed, the Company issued a press release
14 entitled "Luminent Mortgage Capital, Inc. Announcements." The press release stated in part:

15 Luminent Mortgage Capital, Inc. announced today that, since August 3, 2007, the
16 mortgage industry, and the financing methods that the mortgage industry relies upon,
17 have deteriorated significantly and in an unprecedented fashion. Effectively, the
18 secondary market for mortgage loans and mortgage-backed securities has seized-up.
19 As a result, Luminent is simultaneously experiencing a significant increase in margin
20 calls on its highest quality assets and a decrease on the financing advance rates
21 provided by its lenders.

22 In a Board of Directors meeting today, Luminent's Board unanimously voted
23 to take the following actions:

- 24 • The Board of Directors suspended payment of Luminent's second
25 quarter cash dividend of 32 cents per share on Luminent's common
26 stock.
- 27 • The Board of Directors extended the maturity of the outstanding
28 commercial paper issued by Luminent Star Funding Trust I, a special
purpose subsidiary of Luminent, by 110 days.
- The Board of Directors cancelled Luminent's second quarter 2007
earnings release conference call, scheduled for Thursday, August 9,
2007, at 10:00 a.m. PDT, to discuss its second quarter of 2007 results
of operations.
- The Board of Directors delayed the filing of Luminent's quarterly
report on form 10-Q for the second quarter of 2007. Luminent's
second quarter of 2007 unaudited condensed financial information is
attached to this press release. Luminent's independent registered
public accounting firm has not completed a review of the financial
information for the three and six months ended June 30, 2007.
- The Board of Directors authorized Luminent's senior management to
inform the New York Stock Exchange of these unfolding events and,
as a result, trading was halted in Luminent's common stock.

The Board of Directors currently is considering the full range of strategic alternatives to enhance Luminent's liquidity and preserve shareholder value during this period of market volatility.

35. On August 7, 2007, Luminent's stock collapsed \$3.30 per share to close at \$1.08 per share, a one-day decline of 75% on volume of 32.2 million shares, 25 times the average three-month volume.

36. The true facts, which were known by the defendants but concealed from the investing public during the Class Period, were as follows:

(a) The Company lacked requisite internal controls, and, as a result, the Company's projections and reported results issued during the Class Period were based upon defective assumptions and/or manipulated facts;

(b) The Company's investments in mortgage loans were not all "high quality" as claimed by defendants, nor was its hedging disciplined and sophisticated as to credit risk; and

(c) The Company was not on track to report the earnings forecast or to pay the dividends promised.

37. As a result of defendants' false statements, Luminent's stock price traded at inflated levels during the Class Period. However, after the above revelations seeped into the market, the Company's shares were hammered by massive sales, sending them down more than 89% from their Class Period high.

LOSS CAUSATION/ECONOMIC LOSS

38. By misrepresenting its financial statements, the defendants presented a misleading picture of Luminent's business and prospects. Thus, instead of truthfully disclosing during the Class Period that Luminent's business was not as healthy as represented, Luminent falsely overstated the safety of its investments.

39. These claims of profitability caused and maintained the artificial inflation in Luminent's stock price throughout the Class Period and until the truth was revealed to the market.

40. Defendants' false and misleading statements had the intended effect and caused Luminent stock to trade at artificially inflated levels throughout the Class Period, reaching as high as \$10.30 per share.

41. In late July 2007, stocks of other mortgage-related companies began to decline as the market understood the risks with these companies was greater than had been represented. Luminent dropped as well as investors began to suspect it was not as solid as defendants had suggested. By August 3, 2007, the stock was down to the \$6 per share range after having been in the \$8-\$10 range for most of its history. By August 6, 2007, it dropped to the \$4 range.

42. On August 6, 2007, defendants were forced to publicly disclose that Luminent was suspending its dividend and was getting margin calls, causing its stock to drop to \$1.08 per share.

43. As a direct result of defendants' admissions and the public revelations regarding the truth about the risk of Luminent's investments and about its actual business prospects going forward, Luminent's stock price plummeted 75% on August 7, 2007, to \$1.08 per share, a one-day decline of \$3.30 per share. This drop removed the inflation from Luminent's stock price, causing real economic loss to investors who had purchased the stock during the Class Period.

COUNT I

For Violation of §10(b) of the 1934 Act and Rule 10b-5 Against All Defendants

44. Plaintiff incorporates ¶¶1-43 by reference.

45. During the Class Period, defendants disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

46. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- (a) employed devices, schemes and artifices to defraud;
- (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Luminent publicly traded securities during the Class Period.

1 (c) whether defendants' statements omitted material facts necessary to make the
2 statements made, in light of the circumstances under which they were made, not misleading;

3 (d) whether defendants knew or deliberately disregarded that their statements
4 were false and misleading;

5 (e) whether the prices of Luminent's publicly traded securities were artificially
6 inflated; and

7 (f) the extent of damage sustained by Class members and the appropriate measure
8 of damages.

9 53. Plaintiff's claims are typical of those of the Class because plaintiff and the Class
10 sustained damages from defendants' wrongful conduct.

11 54. Plaintiff will adequately protect the interests of the Class and has retained counsel
12 who are experienced in class action securities litigation. Plaintiff has no interests which conflict
13 with those of the Class.

14 55. A class action is superior to other available methods for the fair and efficient
15 adjudication of this controversy.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, plaintiff prays for judgment as follows:

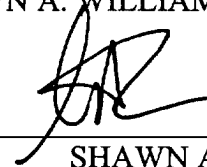
- 18 A. Declaring this action to be a proper class action pursuant to Fed. R. Civ. P. 23;
19 B. Awarding plaintiff and the members of the Class damages, including interest;
20 C. Awarding plaintiff reasonable costs and attorneys' fees; and
21 D. Awarding such equitable/injunctive or other relief as the Court may deem just and
22 proper.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: August 9, 2007

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Attorneys for Plaintiff

cpt luminent mortgage capital.doc

CERTIFICATION OF INTERESTED ENTITIES OR PERSONS

Pursuant to Civil L.R. 3-16, the undersigned certifies that as of this date, other than the named parties, there is no such interest to report.



ATTORNEY OF RECORD FOR PLAINTIFF
ROSENBAUM CAPITAL LLC

CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

Rosenbaum Capital LLC (" plaintiff ") declares, as to the claims asserted under the Federal Securities Laws, that:

1. Plaintiff has reviewed the complaint prepared by counsel and is willing to serve as a lead or named plaintiff in the Action on the basis of the allegations in that complaint or a substantively similar complaint or amended complaint to be filed. Plaintiff retains the Law Offices of Marc S. Henzel and such co-counsel it deems appropriate to associate with to pursue such action on a contingent fee basis.

2. Plaintiff did not purchase the Security that is the subject of the complaint at the direction of plaintiff's counsel or in order to participate in any private action arising under the Federal Securities Laws.

3. Plaintiff is willing to serve as a lead or representative party, either individually or as part of a group on behalf of a class, including providing testimony at deposition and trial, if necessary.

4. Plaintiff has made the following transactions during the Class Period in the securities of Luminent Mortgage Capital Inc. (NYSE: LUM) that are subject of this action:

DATE	BUY OR SALE	AMOUNT OF SHARES	PRICE PER SHARE
	SEE ATTACHED		

5. In the past three years, plaintiff has sought to serve as a representative party on behalf of a class.

SEE ATTACHED

6. Plaintiff will not accept any payment for serving as a representative party on behalf of a class beyond plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class as ordered or approved by the Court.

7. I declare under penalty of perjury that the foregoing Is true and correct. Executed this 8th Day of August 2007.


Signature

Rosenbaum Capital LLC v. Sharper Image Corp., N.D. CA. 05-01587 (Case Dismissed)

Rosenbaum Capital LLC v. Patterson Companies, Inc. D. Minn. 05-01757 (Case Dismissed)

Rosenbaum Capital LLC v. Boston Communications Group, Inc. D. Mass. 05-011165 (Case Dismissed)

Rosenbaum Capital LLC v. John E. McNulty, Tim Steinkopf and Secure Computing Corporation. N.D. CA. 07-CV-392

Date	Buy	Price
7/16/2007	771	\$9.15
7/16/2007	5000	\$9.20
7/17/2007	6900	\$9.21
7/19/2007	1000	\$9.10
7/19/2007	8800	\$9.11
7/26/2007	321	\$8.10
7/30/2007	600	\$7.87

Date	Sell	Price
7/16/2007	10000	\$9.20
7/17/2007	10000	\$9.25
7/19/2007	1000	\$9.04
7/24/2007	485	\$9.06
8/2/2007	200	\$7.12
8/2/2007	1021	\$7.13

Date	Series	Buy	Price
7/16/2007	Aug 12.5 P	50	\$3.40
7/16/2007	Jan 7.5 P	26	\$0.75
7/16/2007	Jan 10 C	100	\$0.60
7/17/2007	Aug 12.5 P	69	\$3.40
7/17/2007	Jan 10 C	100	\$0.60
7/19/2007	Aug 12.5 P	88	\$3.50

Date	Series	Sell	Price
7/16/2007	Jan 10 P	100	\$2.00
7/17/2007	Jan 10 P	100	\$2.10
7/30/2007	Jan 10 C	22	\$0.45
8/2/2007	Jan 7.5 P	26	\$2.50